ABSTRACT

This study aimed at examining the effects of corporate governance (managerial ownership dan institutional ownership), financial indicators (leverage with DAR as the proxy, liquidity with current ratio as the proxy and profitability with ROA as the proxy) and macro-economic factor (inflation sensitivity) towards financial distress. The research method used logistic regression with the help of the SPSS 21 program. The population of this study included all non-financial companies listed in Indonesia (IHSG), Malaysia (KLSE), and Thailand (SET) for the period 2013-2017). The sample of this study is part of the population with certain predetermined criteria, including non-financial companies listed in the IHSG, KLSE and SET that publish complete annual reports during the 2013 - 2017 period. The findings of this study on financial distress in Indonesia is that liquidity and firm size have a significant negative effect on the possibility of financial distress. Then the findings of this study on financial distress in Malaysia is that firm size has a significant negative effect on the possibility of financial distress. In Thailand, the findings of this study on financial distress are that profitability and firm size have a significant negative effect on the possibility of financial distress. After that, the findings of this study on financial distress in a combination of three countries, namely Indonesia, Malaysia, and Thailand, is liquidity and firm size has a significant negative effect on the possibility of financial distress.

Keywords*: financial distress; corporate governance; leverage; liquidity; profitability; inflation sensitivity*